



# **SERVICE POLICIES & PROCEDURES**



## **City of Danville, Virginia Utilities Department**

### **Customer Services**

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### **Administrative Offices**

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Service policies and procedures are subject to change. The most current version of this document is always available on the internet at <http://www.danvilleutilities.com>

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## **Authority for Service Policies & Procedures**

Virginia Code Title 15.2, Chapter 21 authorizes local governments to operate public utilities. City Code Chapter 38, Utility Services, governs Danville Utilities. Code Chapter 2, Section 2-285 assigns to the Danville Utility Commission the responsibility for establishing such policies as non-consumption utility fees, utility extensions, service connection fees, and other general service policies not designated to the City Council, City Manager, or Assistant City Manager for Utilities. To ensure that these policies and procedures are complete and understandable, the Utility staff has authority to expand, edit, and modify this document, subject to ultimate approval by the Utility Commission. However, no substantial change in a service policy or procedure may be put into effect without prior approval of the Commission. These Service Policies & Procedures shall be applied fairly and consistently without regard to the customer's race, color, creed, sex, national origin or marital status.

## **Service Reliability**

Danville Utilities attempts to maintain very reliable, high quality water, wastewater, gas, electric, and telecommunications services. However, continuous and uninterrupted service cannot be guaranteed. Variations in service characteristics and temporary loss of service can result from weather and other natural events, accidents, fires, orders of public authorities, and necessity for making repairs or replacements of the Utility's facilities. As stated in City Code Section Sec. 38-11, the Utility shall not be liable to customer for damages or losses resulting from such interruption or variation in service, unless due to the gross negligence of the Utility. Neither shall such interruptions or variations constitute a breach of any obligations of the Utility under any contract for service with the customer. Interruption of service caused by failure of equipment installed by the customer on the customer's side of service connection shall be the responsibility of the customer.

## **Customer Service Delivery Point**

The Customer Service Division located in the City's Charles H. Harris Financial Service Center at 311 Memorial Drive, Danville, Virginia 24541 handles most interactions between utilities customers and Danville Utilities. Office hours are 8:30 a.m. – 5:00 p.m., Monday through Friday. Customer Service can be reached by telephone at (434) 799-5155.



Emergency calls are taken 24 hours a day at the following telephone numbers:

Water or natural gas (434) 799-5284  
leaks, loss of service,  
or emergency

Electric power (434) 799-5255  
loss of service or  
emergency

Customers are asked to please not call 9-1-1, the public safety dispatcher, unless there is a life-threatening emergency.

### **Application for Utility Services**

Each applicant for utility is required to sign an application on a form provided by the Utility and, upon request, will be required to furnish the following information:

1. Name of applicant.
2. Proof of applicant's identification, such as a driver's license, or picture I.D.
3. Date and place of application.
4. Location of premises to be served.
5. Telephone numbers of the location to be served or to place(s) where the applicant can be reached.
6. Date applicant will be ready for service.
7. For a new service location, the purpose for which service is to be used.
8. Customer's mailing address.
9. Such other information as the Utility may reasonably require.

This information is to be recorded on the contract at the time the service application is made and signed by the customer applicant. If the contract is mailed to the customer for his or her signature, it must be notarized.

### **Account Name Changes**

Service terminations can be accomplished by signed letter or by appearing in person at the Customer Service office. Should a spouse or other family member of the account holder wish to terminate services and put them in another person's name, but the account holder is not available due to death, divorce, legal separation, abandonment, or other such circumstance, affidavits, legal certificates, or other authoritative documentation must be presented to Customer Service before the request will be honored. In all cases, the account must have a zero balance before the name transfer will be approved and processed. A deposit may be required before the transfer is implemented.



## Account Deposits

City Code Section 38-45 authorizes Danville Utilities to require security deposits to cover potential losses resulting from a customer's failure to pay utility bills. The following guidelines are applicable to residential and commercial customers.

**Good payment experience:** The following account deposit policies and procedures refer to "good payment experience." This is defined as not having incurred penalties or delinquent charges for bad checks or late payments, and not having services disconnected for non-payment during the period in question.

**When deposits are required:** Security deposits are required for all new utility accounts unless one of the following circumstances applies:

- The customer had previous utility service with the City in the same name for at least a year if a residential customer or three years if a commercial customer, and records verify that the customer had a good payment record.
- A customer moving into Danville Utilities service area supplies a letter from their immediately preceding utility supplier verifying that the customer met good payment requirements.
- An existing Danville Utilities customer meeting the time and good payment requirements stated above wishes to establish an additional service for a son, daughter, or ward and will assume direct responsibility for paying that person's utility bills. After meeting the good payment requirements stated above, the son, daughter, or ward may apply for the services to be transferred to his or her name without posting a security deposit.

In addition to new customers, security deposits are required for existing customers that have their utility services terminated for non-payment, or have maintained services but have been charged termination fees twice within the previous twelve-month period.

**Deposit amounts:** Security deposits are based on an amount equivalent to twice the average monthly bill for the service location, based on the most recent twelve-month billing average under the intended use. An estimated amount based on comparable residential properties will be used for residential accounts with no available customer history or in the event that the subject property has been vacant or in a different use during the past year. If residential comparables cannot be found,

| Minimum Residential Deposits         |                |
|--------------------------------------|----------------|
| <u>Service Billed</u>                | <u>Deposit</u> |
| Water Only                           | \$ 50          |
| Water & Sewer Only                   | \$ 75          |
| Gas Only                             | \$ 150         |
| Electric Only                        | \$ 150         |
| Water, Sewer,<br>Gas and/or Electric | \$ 250         |



minimum deposit amounts listed here will be used. Minimum amounts take into account that renters deal with a variety of housing circumstances and that in some cases, the landlord pays for certain services and the tenant for others. Initial deposits for residential customers shall be no lower than the minimum amounts listed here and no more than \$750 per service location.

If a customer's services are disconnected or subject to be disconnected for non-pay of the utility account, a deposit or additional deposit may be required. The amount of deposit required for this circumstance is equal to twice the average monthly bill, based on the most recent twelve-month billing average. Following the first disconnection event, the customer will receive a warning notice indicating that a deposit will be required. If the customer's service is subject to disconnection processes a second time within the specified period, a final notice will be issued indicating the required deposit and the payment due date.

The minimum deposit for a commercial account for which the most recent twelve-month billing average is unavailable is \$1,500. There is no maximum deposit amount for commercial accounts.

The deposit for temporary electric service for a residential or commercial account is \$50.

**Acceptable forms of deposit:** Security deposits must be made by cash, check, or money order at the time services are initiated. Under extenuating circumstances, and with the approval of the Assistant City Manager for Utilities or designee, partial payments will be accepted in accordance with terms agreed to in writing. If the customer fails to pay the required deposit according to the written agreement, the services are subject to termination for non-payment of the deposit.

Deposits accepted in lieu of cash can be made in the following forms:

- A letter of credit from a local bank or other financial institution guaranteeing the required deposit.
- An indemnity bond from a nationally recognized insurance company for the amount of the deposit required.

Letters of credit and indemnity bonds must be for a fixed period of one year for residential service or three years for commercial service. They should stipulate that cancellation is not allowed without 60 days written notice to Customer Services. A full cash deposit for the remaining portion of the applicable term will be required in the event that a letter of credit or indemnity bond is prematurely cancelled.



**Time limits for holding deposits:** Deposits will be held until 12 uninterrupted months of good payment experience are established for a residential customer and 36 months for a commercial customer.

**Deposit interest and refund:** Refunds of cash deposits will be provided to customers that satisfy good payment experience requirements noted above. Simple interest on cash deposit will equal the average one-year U.S. Treasury bill rates for October, November, and December of the preceding year, commencing in January of each year, and will prevail until the following January. Interest will be credited on a monthly basis; however, a customer with accessed penalties or delinquent balances for utility charges will not be eligible for interest credit.

## Billing Procedures

Meter reading routes are established to allow for proper collection and processing of utility consumption information for billing purposes. Customer accounts within Danville's city limits have their meters read and bills rendered monthly. So do all industrial customers and nearly all commercial customers located outside the City. Residential and small commercial customers outside the city limits have their meters read and bills rendered every other month. Normally, a customer's meter is read on the same day of each monthly or bi-monthly cycle. However, reading dates may vary as much as five days due to holidays, inclement weather conditions, or other circumstances beyond the utility's control. Estimated meter readings are used in the event that the meter cannot be read directly due to obstruction or severely inclement weather, or when a meter malfunctions.

Under normal conditions, a utility bill will be rendered to a customer within one week from the date the meter is read. The customer has a minimum of ten days to pay the bill before a 1.5% late payment penalty is added to the amount due. The applicable payment date is specified on each bill.

For monthly billed accounts, if an outstanding utility bill has not been paid before the next bill is rendered, a warning notice is printed on the current bill alerting the customer of the delinquency and specifying the date by which time all outstanding amounts and penalties must be paid to avoid disconnection of services. For customer accounts outside the city that are billed on a bi-monthly basis, similar warning notices are mailed separately approximately 20 days after the regular, unpaid bill was rendered.



## **Service Disconnections for Non-Payment**

If the delinquency is not paid by 5:00 p.m. on the date specified, or other payment arrangements have not been made, services will be disconnected the next working day. Affected accounts are then assessed a \$20.00 delinquent processing fee. The delinquent customer must pay the portion of the utility bill in arrears and applicable penalties before services are restored. Delinquent customers may be required to pay a deposit or increase the amount already on deposit. Restoration of utility services terminated for nonpayment will be made as soon as practicable, but is not assured any sooner than the next work day following payment of the account. After business hours service is available, but at additional cost.

## **Customer & Utility Responsibilities**

Generally speaking, the line of demarcation between the customer's responsibility and that of the Utility for installation and upkeep of pipes, cables, and fixtures is the applicable service delivery point, which may be the service meter. For water service, the customer's responsibility begins at the property line. For electric and natural gas service, the Utility installs and maintains lines to, or near, the meter attached to, or next to, the customer's building. The City Manager is authorized to waive fees described below in certain circumstances.

In the case of gas service lines, industrial customers are charged the costs of installing service lines from an existing gas main in the street to the meter location and for the meter installation at direct cost, plus a current percent to recover overhead expense. All other classes of gas customers pay only that portion of gas line installations in excess of 100 feet from the existing gas main.

Overhead electric service will generally be extended to serve new customers or developments at no expense. Applicants and developers are encouraged to discuss new service requirements with Utility electric engineering personnel and obtain a copy of the "Policies, Standards and Specifications for Electric Service to Residential, Commercial and Industrial Developments."

The cost of system extensions, changes, or improvements including relocation or resizing of mains or service lines made at the customer's request are normally fully charged to the customer in accordance with established fee schedules.





The Utility is not responsible for pipes, lines, fittings, fixtures, equipment, or appliances installed on the customer's side of the service delivery point. However, before initiating service, the Utility has the right to inspect customer owned facilities prior to rendering service and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof. The Utility must have continuing access at all reasonable times to the customer's premises to read meters and examine such items.

### **Equal Payment (Budget) Plan**

The Equal Payment Plan (EPP) allows residential and commercial customers and churches and non-profit agencies to pay for their utilities in equal monthly amounts rather than experience the seasonal fluctuations characteristic of normal billing payments. To be eligible, the customer must

- Have been at his or her current account location, or at a different Danville Utilities account location, for at least six months,
- Have good payment experience, and
- Have a zero current account balance.

The equal pay amount is calculated using the billing history for the service location or for the customer's previous location, whichever is greater. Payment amounts are subject to adjustment after six months.

A customer may initiate enrollment in the EPP by telephone, fax, e-mail, or in person, and must sign a written agreement before the plan can be started. At the customer's request, an EPP agreement can be mailed with an enclosed business-reply envelope for its return. The agreement includes the service location address and account number, and sets forth the amount of the equal pay and the start date.

EPP customers must make monthly-specified payments. Any customer who fails to do so will be dropped from the program and required to pay any outstanding account balance. The account will be subject to applicable penalties, delinquent processing fees, and termination services if charges and fees are not paid in a timely manner.

All remaining balances must be paid if an EPP customer wishes to withdraw from the program and change his or her account to the conventional payment mode.



## **Bank Draft Plan**

The Bank Draft Plan (BDP) is a convenience that allows customers to draft payments from their bank or other financial institution checking account to pay the utility bill. A customer may initiate enrollment in the BDP by telephone, fax, e-mail, or in person, and must sign a written agreement before the plan can be started. At the customer's request, a BDP authorization agreement can be mailed with an enclosed business-reply envelope for its return. The agreement includes the service location address, account number, and start date. It must be submitted with a voided check displaying the bank code and account number from which the drafts will be drawn.

It normally takes 45 - 60 days to obtain clearance for a new bank draft. After the BDP goes into effect, the customer regularly receives printed statements rather than conventional utility bills.

Drafts are processed on Wednesdays only. If the bill due date happens to fall on a Wednesday, then the affected account is drafted that day. If the bill due date is other than a Wednesday date, the draft is initiated on the following Wednesday. BDP accounts are not subject to late payment penalties associated with applicable time delays. However, failure to maintain sufficient bank account funds to cover utility bill drafts will result in penalties and fees.

## **Customers Needing Payment Assistance**

Danville Utilities does not waive utility payments or extend credit. If because of an emergency, hardship, or other extenuating circumstance, a customer is unable to pay a bill on time, he or she may request an extension from the Finance Department's Central Collections Division located across the hall from Customer Service on the ground floor of the Harris Financial Service Center at 311 Memorial Drive. The Director of Central Collections or designee will consider each request, as authorized in the Finance Department's policies and procedures.

Under qualifying circumstances, the Director of Central Collections or designee may authorize up to three additional days for the customer to make payment of billed amounts. More extensive late payment agreements may be authorized for eligible customers no more than two times within any 12-month period. The maximum time extension provided is 14 days beyond the disconnect date. The account holder at Central Collections must make requests for such extensions in person and a written agreement signed.

If the terms of a written agreement are not satisfied, electric services will be disconnected without further notice. The total amount outstanding, including all delinquent



processing fees, penalties, and increased deposit amounts required, must be paid in full before services will be restored. If such a delinquency remains unpaid after 60 days from the payment due date, all other utility services, including natural gas and water, will be disconnected and the account will be closed and final-billed. The customer must pay the total balance on the account and a security deposit before services can be restored.

The Department of Human Services, Social Services Division, manages limited heating and cooling assistance programs for eligible low-income parents of young children, elderly, and disabled residents. Applications are accepted at the Social Services building on Patton Street. The Southside Community Action Agency office at 304 Poplar Street also offers limited emergency heating programs.

### **High Consumption Complaints & Investigations**

The Utility will respond promptly to high consumption and billing complaints. If examination of historical utility consumption information for a customer location and/or for comparable accounts suggests the possibility of a meter deficiency or an erroneous meter reading, the Utility will reread the meter and conduct a field investigation at no charge to the customer. If the examination indicates no appreciable chance that the meter was misread or that it malfunctioned, the customer will be charged for rereading the meter and conducting a field investigation. This fee will be waived if rereading and/or investigating the meter verifies an error or malfunction. Unless the Utility has good reason to believe a meter to be faulty, it is not required to replace it.

### **Rebates**

Except in very unusual circumstances, all water, wastewater, gas, and electricity passing through a meter will be charged for, whether used or wasted, even though the building or premises may not be occupied. The Utility is authorized to issue rebates or credits for an excessive flow of water through a meter due to an undetected leak, a underground water pipe leak caused by severe weather conditions, or a leak caused by City utility work in the immediate area within the past 60 days, provided that, upon its detection, the leak was promptly and properly repaired and was inspected by the City or written proof of repair and inspection by a licensed contractor is provided. Similarly, in the case of electric service, the customer may request a rebate for excessive consumption of electricity due to grounded wires, or devices where it is evident that there was no negligence on the part of the consumer, and provided that the defects are corrected promptly. Authorized rebates are allowed only for the billing period in which the defect is detected and repaired. The customer remains responsible for paying an amount equivalent to the cost of utility service that would have normally been consumed during the applicable period.

## Claims for Damages

Claims against the Utility for any damage due to errors or negligence should be filed in writing with the City Attorney's Office, on the fourth floor of the Municipal Building at 427 Patton Street, Danville, Virginia. (Telephone 434-799-5122.)

## Reimbursement of Overcharges

Overcharges can result from any variety of errors, including incorrect listing of services delivered, or assignment of customer service codes and/or rate classifications. This can occur if the customer provides incorrect or incomplete information when signing up for services or if information provided is incorrectly recorded. The potential for errors was heightened during annexation proceedings when large areas were transferred to Danville Utilities from other utility service providers and when large-scale utility improvement projects were completed in previously unserved areas. Inadequacies of utility record keeping and billing systems make it difficult to detect such errors. In some cases, such mistakes may have been made years before customers or Customer Service personnel discover them.

When such an error is verified and adequate historical records are available to document overcharges, it is the policy of the Danville Utilities to reimburse the current affected customer from the most recent billing back for as many as five years. No such reimbursement is provided to previous customers occupying the same service location. This surpasses the City's statutory obligation to pay no more than three years of documented overcharges.

An exception to the five-year overcharge limit will be made for any customer in the areas annexed in 1988, due to inaccuracies in customer records transferred from other utility service providers. In these cases, no such time limit will be applied in reimbursing current affected customers.

CITY OF DANVILLE PRE-1988 ANNEXATION



## Dispute Hearings

An appeals process is available to address billing disputes. This procedure is available to address disputed billing amounts and/or the customer's rights to be served by the Utility. The dispute hearing process is not available to address matters pertaining to payment of deposits, fines, or penalties.

If a customer is not satisfied with the handling of a billing complaint by Danville Utilities personnel, he or she may request a dispute hearing presided over by a Hearing Officer, a non-Utility employee appointed by the City Manager. The Hearing Officer is responsible for conducting dispute hearings in a fair, non-confrontational manner. Dispute hearings are scheduled at the customer's convenience during normal business hours, Monday through Friday, 8:30 a.m. – 5:00 p.m. in the conference room at the Harris Financial Service Center, 311 Memorial Drive, in Danville.

A customer desiring a dispute hearing should forward the request to any Customer Service or Billing Clerk or to the Customer Service Director. The Utilities employee receiving the request is then responsible for initiating hearing arrangements.

The customer's obligation to pay undisputed and subsequent charges continues pending resolution of the appeal. However, service will not be disconnected or subject to additional late penalties while a hearing is pending.

Notice of the hearing and copies of pertinent information will be delivered to the customer, Hearing Officer, and participating Utility employees at least one week prior to the scheduled hearing. The customer also has the right to examine the Utility's records pertaining to the customer's service.

Utilities personnel involved in the dispute and the Customer Service Director or designee will attend the dispute hearing. The customer has the right to have a representative at the hearing, to testify, and to present witnesses.

Within 10 business days following the dispute hearing, the Hearing Officer will render a decision in writing to the customer and the Customer Service Director, outlining the course of action, if any, to resolve the matter. The decision of the Hearing Officer will be final. Any adjustments or other actions on behalf of the City as recommended by the Hearing Officer will be completed as soon as possible after the decision letter is received.



## Outdoor Lighting

Danville Utilities will install a security light and pole on the customer's property at no expense, providing the customer agrees to keep the light and pay associated charges for at least thirty-six months. This minimum time commitment is reduced to twelve months if the light is installed on an existing utility pole. Outdoor lighting service is available to residential and commercial customers.

Outdoor lighting facilities can remain in place indefinitely beyond completion of the minimum contract term, or until such time as the customer wishes to discontinue the service. If a customer wishes to terminate service prior to fulfilling the terms of the contract, the customer is responsible to remit payment equal to the sum of the monthly charges remaining on the contract. A customer moving from a contracted outdoor light location will be relieved from remaining contract payments providing the new customer is willing to assume responsibility for honoring the remainder of the contract's term.